

## **STATE PROPERTIES COMMITTEE MEETING**

**TUESDAY, SEPTEMBER 1, 2009**

The meeting of the State Properties Committee was called to order at 10:08 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; John A. Pagliarini, Jr., Public Member; and Xaykham Khamsyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Marco Schiappa, Michael Mitchell, John Ryan, Deborah White and Karen Scott from the Rhode Island Department of Administration; Mary Kay and Michelle Sheehan from the Rhode Island Department of Environmental Management; Ronald Cavallaro and Hope Schachter from the Rhode Island Board of Governors for Higher Education; Paul Forte from Rhode Island College and Howard Kramer from Hasbro Children's Hospital.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the State Properties Committee meeting of August 4, 2009, by Mr. Pagliarini and seconded by Mr. Griffith. Said motion passed with three (3) votes "Aye" with one (1) abstention.

**Three (3) Votes "Aye"**

**Mr. Pagliarini**

**Mr. Griffith**

**Chairman Flynn**

**One (1) Abstention**

**Mr. Woolley**

**ITEM A – Rhode Island Emergency Management Agency – A request for approval of and signatures on a Memorandum of Understanding by and between the Rhode Island Emergency Management Agency (the “EMA”) and the Rhode Island Resource Recovery Corporation (the “RRC”) to allow the EMA to utilize land owned by RRC for rescue technique training. This item is deferred to the September 15, 2009, meeting of the State Properties Committee at the request of the Rhode Island Emergency Management Agency.**

**ITEM B – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and Lifespan for Hasbro Children’s Hospital to utilize Station Park for the 2009 Hasbro Children’s Hospital Walk on October 4, 2009. Mr. Schiappa introduced Howard Kramer from DMSC Sports who is organizing this inaugural walk for the Hasbro Children’s Hospital. DMSC Sports wishes to set up at Station Park on Sunday, October 4, 2009, at 11:00 a.m. Mr. Schiappa noted that all requisite fees have been paid in advance, the**

appropriate certificate of insurance has been submitted and the necessary approvals have been obtained from Amtrak as a portion of this event will take place on Amtrak controlled property. Mr. Schiappa presented a schematic of the event for the Committee's review. Mr. Schiappa noted that very few temporary structures will be erected on the property. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

**Passed Unanimously**

**ITEM C – Department of Mental Health, Retardation and Hospitals – A request was made for approval of and signatures on a revised Quit-Claim Deed by and between the Department of Mental Health, Retardation and Hospitals (“MHRH”) and The Arc of Blackstone Valley (“The Arc”) for the conveyance of property located at 115 Manton Street in the City of Pawtucket. Mr. Mitchell explained that the State Properties Committee approved the original Quit Claim Deed on May 12, 2009. Mr. Mitchell was asked to represent MHRH at the closing of the property and while preparing for said closing, he discovered that there were deficiencies relative to execution of the Quit-Claim Deed by the parties. Mr. Mitchell noted that together with the assistance of a title company, said errors were corrected. However, this morning the title attorney forwarded additional revisions associated with language contained in the Quit-Claim Deed. Mr. Mitchell explained that some of the suggested changes related to the editing of the Deed's property description. There was another more substantive change concerning the wording of the reverter clause. Mr. Mitchell explained the exact nature of the revised**

language and indicated that Mr. Pagliarini noted that the name of the State agency was also incorrect. Mr. Mitchell stated that because he was not aware of said revisions until this morning, Mr. Woolley has not had an opportunity to review same. Therefore, Mr. Mitchell suggested that perhaps the Committee could approve the Quit Claim Deed subject to Mr. Woolley's review and approval as to the form of the Deed, or the matter could be deferred to the next meeting of the State Properties Committee. Mr. Woolley stated that he is satisfied as to the form of the Deed and noted that it is an improvement over the original deed. Chairman Flynn noted that any motion to approve must be made subject to Director Stenning's execution of the Deed. Mr. Mitchell stated that he will have a revised document executed by Director Stenning and submit said document to Ms. Rhodes for execution by the State Properties Committee. Mr. Woolley moved to approve the Quit Claim Deed subject to Director Stenning's execution of the same. Said motion was seconded by Mr. Pagliarini.

**Passed Unanimously**

**ITEM D – Department of Corrections – A request was made for approval of and signatures on a First Amendment to Lease by and between the Department of Corrections and the Town of Warren for the premises located at the East Bay Government Center, One Joyce Street in the Town of Warren. Mr. Ryan explained that on August 4, 2009, the Committee granted the Department of Correction's request for permission to initiate lease renewal negotiations for the aforementioned premises. Mr. Ryan stated that the Lease Agreement is for a term of five (5) years and that the premises consist of 1,674**

square feet. Mr. Ryan stated that the all utilities, parking, janitorial services and snow and ice removal are included in the lease fee. Chairman Flynn asked what the rental fee is. Mr. Ryan indicated that the current rent is approximately \$9.44 per square foot. Chairman Flynn asked if the existing Lease Agreement contains an escalation clause. Mr. Ryan indicated that the Department has agreed to an annual escalation of 1½ %, as the cost of utilities and snow and ice removal has steadily increased over the past few years. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

**Passed Unanimously**

**ITEM E – Department of Environmental Management – A request was made for conceptual approval to surplus 19.7 acres of land located along Point Judith Road and Point Judith Pond in the Town of Narragansett; known as Salty Acres. Ms. Kay presented a map of the subject property for the Committee’s review. Ms. Kay explained that the subject property directly abuts the Department’s Fishermen’s Memorial Campground. Fishermen’s Memorial Campground is a very popular and heavily utilized campground in the Town of Narragansett.**

**Ms. Kay explained that the Department has been asked to identify assets held by the Department, which are not performing to their full potential. Ms. Kay noted that the Department originally acquired the subject property in 1990, and planned to develop said land as an extension to Fishermen’s Memorial Campground. The land was purchased with open space bond funds. Since that time, issues have arisen regarding how much of the property is actually coastal wetlands and subject CRMC jurisdiction. Ms. Kay stated that the**

Department has submitted an application to CRMC for permission to develop said property as a campground. However, the Department is concerned that said project does not reach a level of significance that will justify the associated cost of developing it. Therefore, Ms. Kay indicated that the Department is not necessarily going to surplus the property; however, the Department is seeking conceptual approval to obtain an appraisal to establish the property's value and then determine whether the property's value and potential performance merits the State's investment to develop it. Mr. Woolley asked if there is presently a Lease Agreement associated with the house on the property. Ms. Kay indicated that the house is currently vacant. Mr. Pagliarini asked whether it is true that the State has already invested \$1.6 in this property. Ms. Kay indicated that the State has invested \$1.6 million in the property. Mr. Pagliarini asked if the subject property could potentially be a wind turbine site. Ms. Kay stated that the subject property is not a potential wind turbine site. Mr. Griffith noted that as previously stated Fishermen's Memorial Campground is popular and heavily utilized by campers; therefore, unless CRMC outright denies the Department's application, he feels that the case has already been made to utilize the subject property to expand that the Fishermen's Memorial Campground. Ms. Kay explained that the issue is the physical limitations that CRMC may stipulate relative to the use of the subject property. CRMC may not allow the Department to utilize the property to the extent that it would be profitable. Chairman Flynn asked if sold, where access to the property would be located, as it appears there is an extremely long

driveway, which extends to Route 108 and only services the house on the property. Ms. Kay indicated that the Department purchased the property because the former owners did prove that there is adequate access to develop the property. Ms. Kay stated that there are deeded rights-of-way associated with the property. Chairman Flynn noted certain possible options regarding access to the property and the affect that said options may have on the property's value. Mr. Woolley asked what the Department plans to do with the house if the property is not sold. Ms. Kay indicated that any decision concerning the future of the house would be made by the Divisions of Parks and Recreation and the Division of Natural Resources. Ms. Kay noted that the location of the house is ideal; however, it needs a great deal of work. Mr. Khamsyvoravong asked Ms. Kay to provide a breakdown of the State's \$1.6 million dollar investment in the subject property. Ms. Kay noted that purchase price of the subject property was \$1.375 million dollars and that the costs to maintenance the property account for the remaining balance. Mr. Pagliarini asked when the Department acquired the property. Ms. Kay stated the Department acquired the subject property on or about September 25, 1990. Chairman Flynn clarified that the Department is requesting conceptual approval to surplus the property in order to proceed with an appraisal of the property and then once its value as been determined, the Department will weigh said value against the development costs and the permitting issues stipulated by CRMC to determine what the most beneficial course of action is and return to the Committee for the submission of updated information. Ms. Kay

indicated that is the Department's plan. Mr. Pagliarini noted that the Committee received a letter from the Rhode Island Preservation and Heritage Commission requesting that the Department conduct an archeological survey of the property. Ms. Kay indicated that the Department would comply with said request. Mr. Pagliarini requested that the Department keep the Committee well apprised of any and all updated information relative to the subject property. A motion was made to approve the Department of Environmental Management's request for conceptual approval to surplus the subject property by Mr. Pagliarini and seconded by Mr. Woolley.

**Passed Unanimously**

**ITEM F – Department of Environmental Management – A request was made for conceptual approval for the acquisition of a Conservation Easement over approximately 124 acres of land located along Nooseneck Hill Road in the Town of Hopkinton; known as the Hoxsie Property. Ms. Sheehan presented an aerial photograph illustrating the location of the subject property and the surrounding area. Ms. Sheehan indicated that this acquisition will be funded entirely through the Forest Legacy Program with no State funds involved. The Nature Conservancy is a partner in this transaction and will ultimately purchase the fee interest. A motion was made to approve by Mr. Woolley and seconded by Mr. Pagliarini.**

**Passed Unanimously**

**ITEM G – Board of Governors for Higher Education/Rhode Island College – A request was made for approval of the Warranty Deed by and between the Rhode Island College Foundation (the "Foundation")**

and Board of Governors for Higher Education (the "Board") conveying property located on Hennessey Street in the Town of North Providence. Mr. Cavallaro explained that in 1989, at the request of Rhode Island College ("RIC") the Board transferred Assessor's Plat 9, Lots 291 and 292 on Hennessey Street in the Town of North Providence to the Foundation. The purchase price of said lots was \$550,000. Mr. Cavallaro explained that at that time, the Board, on behalf of RIC, executed a twenty (20) year Lease Agreement with the Foundation. Mr. Cavallaro indicated that as part of the Lease Agreement, there was an option to purchase; said option was an annual option. Mr. Cavallaro stated that it appears that the parties utilized an amortization schedule, whereby the purchase price of the property decreased with each annual option. In February of this year, when the twentieth (20th) option/year was realized, the purchase price of the property is \$1.00 in accordance with the terms of the Lease Agreement. Mr. Cavallaro stated that the Board, at its meeting in June 2009, approved RIC's request to purchase the subject property from the Foundation, with the title to be held by the Board. Therefore, Mr. Cavallaro respectfully requested that the State Properties Committee approve the Warranty Deed conveying the property located on Hennessey Street in North Providence from the Foundation to the Board. Mr. Pagliarini asked what the annual lease fee for said property was for the past twenty (20) years. Mr. Cavallaro stated that the Board paid a lease fee of \$64,000 per year. Mr. Pagliarini noted that the Board then paid \$1.3 million in rental payments over the course of twenty (20) years for a vacant property.

**Mr. Cavallaro stated that there is a building located on the subject property, which is presently the home of the Sherlock Center. The building has always been utilized and continues to be utilized today. Mr. Woolley asked if the conveyance of this property to the Board will eliminate the lease payments. Mr. Cavalloro indicated that this transaction will eliminate the lease fee obligation. Mr. Woolley made a motion to approve, although the Warranty Deed does not cite the \$1.00 purchase price in accordance with R.I.G.L. 34-11-1.4. Mr. Woolley stated that the Warranty Deed sufficiently explains the reason there is no consideration associated with this transaction. Said motion was seconded by Mr. Pagliarini.**

**Passed Unanimously**

**There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:32 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley.**

**Passed Unanimously**

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**Holly H. Rhodes, Executive Secretary**